

Rep. Pete Stark (D-CA) said today that the Bush budget proposal would make a decent Medicare drug benefit impossible.

“Last year the House Republicans passed a puny Medicare prescription drug bill,” said Stark. “It was a plan to subsidize private insurers who would offer the equivalent of a policy with a \$250 deductible, \$1,050 worth of coverage, and a catastrophic benefit that kicked in when a person had spent \$6,000 out-of-pocket on drugs. The Congressional Budget Office said it would cost about \$160 billion over ten years.”

“Now CBO has raised its estimate of drug spending by about 35%,” said Stark, “This means that last year’s Republican bill would cost about \$216 billion. But if the President’s budget only allows \$153 billion, that means even last year’s inadequate benefit package will have to be cut about a third.”

“What would such a plan look like?” asked Stark. “By our computer estimates, it would require raising the deductible from \$250 to \$500 (which would leave another 3 million seniors with no benefit from the program). Or it would mean raising the catastrophic cap to \$8,000. “

“Mr. President, let’s get real. Instead of cutting estate taxes for 2 percent of decedents, put these dollars into an adequate Medicare benefit that will help 40 million-plus seniors and disabled. The amount of money lost by repeal of the estate and gift tax would fund a drug benefit twice as good as the one you are proposing.”